gress to drastic action by scaring it with the prospect of mass unemployment, and ended by scaring themselves to such an extent that they began to take their own arguments seriously.

My economic forecasting was again put to a test in 1949, 1953, and 1957. In all three cases, the problem was to determine, in the early phase of the economic setback, how long it would last and how far the contraction in production and national income would go. There is no scientifically irrefutable answer to such questions. Rather, the answer depends on a number of assumptions, the most important among them being the predominant rhythm in the economic system. I was convinced that the stabilizers developed by the New Deal had made a major depression impossible but had left our economy unprotected against minor setbacks. I anticipated, therefore, in all three cases, a brief and relatively mild recession and defended this forecast in numerous articles and conferences.

In the spring of 1958 I found myself once more on the side of the optimists in predicting an early upturn in business. About this time, however, I revised my appraisal of the cumulative effect of jolts in our economy. These apparently harmless shocks, following one another at brief intervals, might have a very harmful cumulative effect on the economic progress of the nation.

STUDY OF THE CHANGING WORLD

Soon after the end of the war, Emma and I left government service for pure research work. The Twentieth Century Fund—a non-profit research organization in New York—had commissioned me to direct a study on labor economics in the United States. At the same time, Emma and I began a study of world economic and political trends.

This project was somewhat similar to our seven-volume *Die Welt in Zahlen*, but with more emphasis on interpretation than presentation of facts and statistical data. Ever since our arrival in the United States, we had thought of a study that would give a panoramic picture of the world, stressing the new trends—acceleration of technological progress, shifts in economic and political power, liquidation of colonialism, formation of new independent states, friction between East and West. My work on the economic structure and social security programs in the United States had temporarily diverted my attention from international problems. But the war brought these topics to the foreground. A new system of world economy and new patterns of world politics were emerging from the ruins and ashes. The slow processes of interwar years had developed explosive speed; the task of reviewing the new world trends and outlooks was becoming increasingly